

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RIGHT-OF-WAY GRANT

SERIAL NUMBER CACA-51204

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1. As approved by the Record of Decision for the East County (ECO) Substation Project dated August 21, 2012, a right-of-way grant is hereby issued pursuant to Title V of the Federal Land Policy and Management Act of October 21, 1976 (43 U.S.C. 1761 et seq.) and the Bureau of Land Management right-of-way regulations (43 CFR Part 2800) and amendments thereto.
2. Nature of Interest: Right-of-Way grant for a transmission line.
 1. By this instrument, the holder:

San Diego Gas & Electric Company (SDG&E)
8335 Century Park Court Suite 100
San Diego, CA 92123

receives a right to construct, operate, maintain, and terminate a 138kV transmission line connecting the East County Substation to the Boulevard Substation on public lands described herein:

San Bernardino Meridian
T. 18 S., R. 8E.
sec. 2, S $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 2, SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$;
sec. 3, S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 3, S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 10, NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$.
 - b. The instrument issued herein consists of: a right-of-way for a 138 kV underground transmission line, 100' wide and 4,224' in length on 10.44 acres of public land.
 - c. This instrument shall expire on December 31, 2041 unless, prior thereto, it is relinquished, abandoned, or terminated pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
 - d. This instrument may be renewed by the Authorized Officer. The holder is required to submit an application for renewal at least 120 calendar days prior to the expiration date of this instrument. The Authorized Officer will review the application for renewal to ensure the holder is complying

with the terms, conditions, and stipulations of this instrument and applicable laws and regulations. If renewed, the right-of-way shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the Authorized Officer deems necessary to protect the public interest.

- e. Notwithstanding the renewal, expiration, relinquishment, abandonment, or termination of this instrument, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the renewal, expiration, relinquishment, abandonment, or termination of this authorization.
- f. The Authorized Officer retains the right of access to the lands included within the right-of-way at any time and may enter any facility on the right-of-way in accordance with 43 CFR 2805.15(a). The holder shall pay monitoring fees in accordance with 43 CFR 2805.16 for the reasonable costs incurred in the inspection and monitoring of construction, operation, maintenance, and decommissioning of the right-of-way.
- g. This instrument is issued subject to valid existing rights in accordance with 43 CFR 2805.14.

3. Rental:

- a. For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management the fair market value rental of the right-of-way, as determined by the Authorized Officer unless specifically exempted from such payment by law or regulation. Provided, however, that the rental may be adjusted by the Authorized Officer, whenever necessary, to reflect changes in fair market value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices. The rental provisions of this authorization may also be modified consistent with the provisions of any regulatory changes or pursuant to the provisions of any new or revised statutory authorities.

The rent for this project will be based upon the acreage of public land included in the authorization. The rent is due and payable upon the date of issuance of this instrument and will be paid on an annual basis consistent with the regulations. The base rent will be adjusted each year based on the Implicit Price Deflator-Gross Domestic Product (IPD-GDP) index.

4. Bond:

- a. A Performance and Reclamation bond, in the amount of \$950,000 will be required from the holder to ensure compliance with the terms and conditions of this instrument. The bond must be maintained in effect until removal of improvements and restoration of the right-of-way has been accepted by the Authorized Officer. Acceptable bond instruments include cash, cashier's or certified check, certificate or book entry deposits, negotiable U.S. Treasury securities (notes, bills, or bonds) equal in value to the bond amount, surety bonds from the approved list of sureties

(U.S. Treasury Circular 570) payable to the Bureau of Land Management (BLM), irrevocable letters of credit payable to the BLM issued by financial institutions that have the authority to issue letters of credit and whose operations are regulated and examined by a federal agency, or a policy of insurance that provides BLM with acceptable rights as a beneficiary and is issued by an insurance carrier that has the authority to issue insurance policies in the applicable jurisdiction and whose insurance operations are regulated and examined by a federal or state agency. The Authorized Officer will not accept a corporate guarantee as an acceptable form of bond. The bond will be reviewed at the time of any assignment, modification, or renewal of this instrument. The Authorized Officer may increase or decrease the bond amount at any time during the term of the right-of-way authorization, consistent with the regulations.

- b. The holder agrees that any bond held as security for holder's performance of the terms and conditions of this instrument may, upon failure on the holder's part to fulfill any of the requirements herein set forth or made a part hereof, be retained by the United States to be applied as far as may be needed to the satisfaction of the holder's obligations assumed hereunder, without prejudice whatever to any other rights and remedies of the United States.
- c. Should the bond delivered under this instrument become unsatisfactory to the Authorized Officer, the holder shall, within 30 calendar days of demand, furnish a new bond. In the event of noncompliance with the terms and conditions of this instrument, the BLM will notify the holder that the surety or other bond instrument is subject to forfeiture and will allow the holder 15 calendar days to respond before action is taken to forfeit the bond and suspend or terminate the authorization.

5. Terms and Conditions:

- a. This instrument is issued subject to the holder's compliance with all applicable laws and regulations and, in particular, with the regulations contained in Title 43 Code of Federal Regulations Part 2800, including the terms and conditions required by 43 CFR 2805.12. Failure of the holder to comply with applicable laws or regulations or any terms, conditions, or stipulations of this instrument shall constitute grounds for suspension or termination thereof of this instrument in accordance with 43 CFR 2807.17 – 2807.19. The Authorized Officer may change the terms and conditions of this instrument as a result of changes in legislation, regulations, or as otherwise necessary to protect public health or safety or the environment in accordance with 43 CFR 2805.15(e).
- b. The right-of-way Stipulations (Exhibit B), attached hereto, are incorporated into and made a part of this instrument as fully and effectively as if they were set forth herein in their entirety.
- c. The holder shall perform all operations in a good and workmanlike manner, consistent with the approved Plan of Development, so as to ensure protection of the environment and the health and safety of the public. The Authorized Officer may order an immediate temporary suspension of operations, orally or in writing, in accordance with 43 CFR 2807.16 to protect public health or safety or the environment if the Authorized Officer determines that the holder has violated one or

more of the terms, conditions, or stipulations of this instrument. An immediate temporary suspension order is effective until the holder receives a written Notice to Proceed from the Authorized Officer.

- d. The holder will not initiate any construction or other surface disturbing activities on the right-of-way without prior written authorization of the Authorized Officer. Such authorization will be a written Notice to Proceed (Form 2800-15) issued by the Authorized Officer or his/her delegated representative. The Notice to Proceed will authorize construction or use and occupancy only as therein expressly stated and only for the particular location or use and occupancy therein described, i.e., a construction phase or site location. The Authorized Officer will issue a Notice to Proceed subject to such terms and conditions as deemed necessary when the design, construction, use, occupancy, and operation proposals are in conformity with the terms and conditions of this instrument.
- e. The holder shall start construction within 12 months after issuance of a Notice to Proceed. The holder shall complete construction within the timeframes approved in the final Plan of Development.
- f. Failure of the holder to comply with any diligent development provision of this instrument may cause the Authorized Officer to suspend or terminate the authorization in accordance with 43 CFR 2807.17 - 2807.19, and use the posted Performance and Reclamation bond to cover the costs for removal of any equipment and/or facilities. The Authorized Officer will provide the holder a written Notice of Failure to Ensure Diligent Development prior to the suspension or termination of the authorization. The holder will be provided an opportunity to correct any noncompliance in accordance with 43 CFR 2807.18 or submit a written request to the Authorized Officer for an extension of the timelines in the approved Plan of Development.
- g. Upon termination by the Authorized Officer or expiration of this instrument, all improvements shall be removed from the public lands within 180 calendar days or otherwise disposed of as provided for in the approved Plan of Development, or as directed by the Authorized Officer.
- h. This instrument shall, at a minimum, be reviewed by the Authorized Officer at the end of the 10th year and at regular intervals thereafter not to exceed 10 years. Provided, however, that this instrument may be reviewed at any time deemed necessary by the Authorized Officer in accordance with the regulations.
- i. This instrument may be assigned consistent with the regulations, however, all assignments are subject to approval by the Authorized Officer. In addition, the qualifications of all assignees must comply with the requirements of the regulations. A partial assignment of this instrument shall not be approved if such action would hinder the Authorized Officer's management of the authorization or the associated public lands.
- j. Upon the request of the Authorized Officer, the holder shall provide access to environmental, technical, and financial records, reports, and other information related to construction, operation,

maintenance, and decommissioning of the right-of-way. Any information marked confidential or proprietary will be kept confidential to the extent allowed by law. Failure of the holder to cooperate with such request, provide data, or grant access to such records, reports, and information may, at the discretion of the Authorized Officer, result in suspension or termination of the right-of-way grant in accordance with the regulations.

- k. The holder shall not initiate any construction or other surface disturbing activities as a minor change to the right-of-way or Plan of Development without prior written approval of the Authorized Officer, or his delegate. Such authorization shall be a written Change of Condition or Adjustment. Each Change of Condition/Adjustment shall authorize construction or use only as therein expressly stated and only for the particular location and use therein described. All Changes of Condition/Adjustments are subject to such terms and conditions as deemed necessary by the Authorized Officer at the time of approval. Approved changes authorize construction or use only as therein expressly stated and only for the particular location, phase, area, or use described. The Authorized Officer may, by written notice, suspend or terminate in whole or in part any change of condition/adjustment which has been approved, when in the Authorized Officer's judgment, unforeseen conditions arise which result in the approved terms and conditions being inadequate to protect the public health and safety or to protect the environment. All Conformance Requests will be documented and tracked to ensure the acreages of disturbance affected by post-authorization conformance changes remain within the limits of impacts analyzed in the EIS and approved in the ROD and ROW.

IN WITNESS WHEREOF, The undersigned agree to the terms, conditions, and stipulations of this right-of-way grant.

Don Houston
Agent of SDG&E

Project Manager
Title

Dec 12, 2012
Date

Thomas F. Gale
BLM Authorized Officer

Acting Field Manager
Title

12/19/2012
Date

Attachments

Exhibit A: Project Map

Exhibit B: Stipulations

Exhibit C: 2012 Rental Schedule

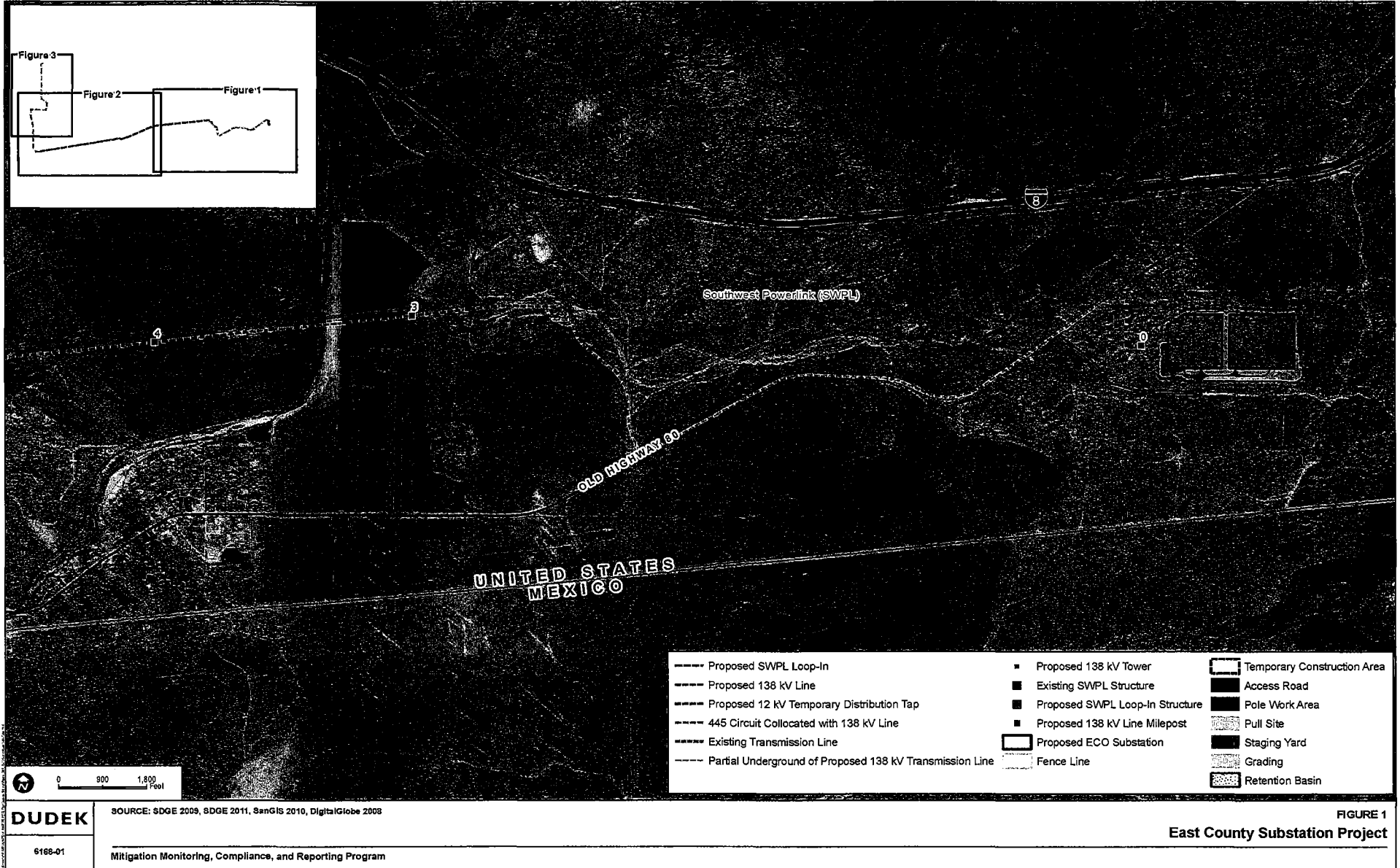


EXHIBIT B - STIPULATIONS

1. The holder shall construct, operate, and maintain the facilities, improvements, and structures within this right-of-way in strict conformity with the approved Plan of Development, as amended or supplemented by approval of the Authorized Officer. Any surface disturbing activity, additional construction, or use that is not in accord with the approved Plan of Development shall not be initiated without the prior written approval of the Authorized Officer. A copy of the complete right-of-way grant, including all stipulations and approved Plan of Development, shall be made available on the right-of-way area during construction, operation, and decommissioning. Noncompliance with the above will be grounds for immediate temporary suspension of activities if it constitutes a threat to public health or safety or the environment.
2. The holder shall comply with the Biological Opinion for the ECO Substation Project signed by the U.S. Fish and Wildlife Service and incorporated as Appendix A in the Record of Decision. Failure to comply with the requirements of the Biological Opinion shall be cause for suspension or termination of the right-of-way grant.
3. The holder shall comply with the stipulations set forth in the Memorandum of Agreement (MOA) regarding the East County Substation Project incorporated as Appendix B of the Record of Decision.
4. The holder shall comply with the adopted avoidance, minimization, and mitigation measures incorporated as Appendix C of the Record of Decision.
5. The holder shall comply with the Mitigation Monitoring, Compliance, and Reporting Program (MMCRP) developed in coordination with the California Public Utilities Commission (CPUC). A Notice to Proceed for surface-disturbing activity will not be issued by the BLM until the final MMCRP is complete and posted on the CPUC website.
6. The holder shall designate a representative who shall have the authority to act upon and to implement instructions from the Authorized Officer. The holder's representative shall be available for communication with the Authorized Officer within a reasonable time when construction or other surface disturbing activities are underway.
7. The holder shall protect all survey markers found within the right-of-way. Survey markers include, but are not limited to, Public Land Survey System line and corner markers, other property boundary line and corner markers, and horizontal and vertical geodetic monuments. In the event of obliteration or disturbance of any of the above, the holder shall immediately report the incident, in writing, to the Authorized Officer and the respective installing authority if known. Where any of the above survey markers are obliterated or disturbed during operations, the Authorized Officer will determine how the marker is to be restored. The holder will be instructed to secure the services of a registered land surveyor or informed that an official survey will be executed by the Bureau of Land Management (BLM). All surveying activities will be in conformance with the Manual of Surveying Instructions and

appropriate State laws and regulations. Surveys by registered land surveyors will be examined by the Authorized Officer and the BLM State Office Chief Cadastral Surveyor for conformance with the Manual of Surveying Instructions and State laws and regulations before being filed in the appropriate State or county offices of record. The holder shall be responsible for all administrative and survey costs.

8. Construction sites shall be maintained in a sanitary condition at all times; waste materials at those sites shall be disposed of promptly at an appropriate waste disposal site. 'Waste' means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil drums, petroleum products, ashes, and equipment.
9. The holder shall comply with all applicable Federal, State, and local laws and regulations, existing or hereafter enacted or promulgated, with regard to any hazardous material, as defined by 43 CFR 2801.5 that will be used, produced, or transported on or within the right-of-way, or used in the construction, operation, maintenance, or decommissioning of the project or any of its facilities. The holder agrees in accordance with 43 CFR 2807.12(e) to fully indemnify the United States against any liability arising from the release of any hazardous material on or near the right-of-way in connection with the holder's use and occupancy of the right-of-way, whether or not the release is authorized under the grant.
10. Within 120 calendar days of completion of construction, the holder will submit to the Authorized Officer as-built drawings and a certification of construction verifying that the facility has been constructed in accordance with the design, plans, specifications, and applicable laws and regulations.
11. The holder will be liable for all fire suppression costs resulting from fires caused during construction, operations, or decommissioning. The holder shall comply with all guidelines and restrictions imposed by agency fire control officials.